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Nornickel, Rusal back to hashing over merger, says company boss

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MOSCOW, July 5. /TASS/. Norilsk Nickel has received a proposal from Rusal to reconsider a merger, President and Chairman of Nornickel's Management Board Vladimir Potanin said on Tuesday, adding that the top nickel producer had confirmed its readiness to start negotiations.

"The latest proposal that we received from Rusal's new management is to discuss a merger between Nornickel and Rusal as an alternative to extending the agreement. We have reconsidered [the merger idea]. And I <...> have submitted a letter, in which I confirmed our consent to start a merger discussion with Rusal," he said.

The proposed merger would make it possible to diversify the shareholder base and improve stability amid the ongoing sanctions, Potanin explained. The 'green' agenda and sustainability is an additional factor, he noted.

The shareholder agreement in force until January 1, 2023 (signed by Interros, Rusal and Crispian 2012) stipulates that Nornickel would pay dividends in the amount of no less than 60% of EBITDA with the net debt/EBITDA ratio below 1.8x. Under a higher ratio,

the minimum dividend level stands at 30% of EBITDA, but no less than \$1 bln.

The talks with Rusal, the second-largest shareholder of Nornickel, on prolonging the shareholder agreement are deadlocked by the dividend formula as the sides have different approaches to how aggressive the dividend policy should be, Potanin said earlier.

Vladimir Potanin's Interros (owning a 35.8% stake), Rusal founded by Oleg Deripaska (with a 26.4% stake), and Crispian owned by Roman Abramovich and Alexander Abramov (with around 4% of shares) are the main shareholders of Nornickel.